



CRJ  
12/16

**MEL CARNAHAN**  
GOVERNOR  
**GARY J. STANGLER**  
DIRECTOR

**MISSOURI**  
**DEPARTMENT OF SOCIAL SERVICES**  
P.O. BOX 1527  
BROADWAY STATE OFFICE BUILDING  
JEFFERSON CITY  
65102-1527  
TELEPHONE: 573-751-4815, FAX: 573-751-3203

**RELAY MISSOURI**  
*for hearing and speech impaired*  
TEXT TELEPHONE  
1-800-735-2966  
VOICE  
1-800-735-2466

December 12, 1997

Cynthia L. Johnson, Director  
Cash Management Policy &  
Planning Division  
Financial Management Service  
U. S. Department of the Treasury  
Room 420, 401 14th Street, SW  
Washington, DC 20227

Dear Ms. Johnson:

The attached comments to the proposed rule, "Management of Federal Agency Disbursements," 31 CFR Part 208, as contained in the Federal Register, Vol. 62, No. 179, Tuesday, September 16, 1997, are hereby submitted on behalf of the State of Missouri.

Sincerely,

Melba L. Price  
Associate Director

MP:LR:km

Attachment

**-Comments to the Proposed Rule, "Management of Federal Agency Disbursements," 31 CFR Part 208, as contained in the Federal Register, Vol. 62, No. 179, Tuesday, September 16, 1997, submitted by the State of Missouri Department of Social Services**

Missouri, a member of the Southern Alliance of States (SAS), a coalition of southern states, submits these comments on the U.S. Department of Treasury's proposed rulemaking regarding management of federal agency disbursement through electronic funds transfer (EFT) and electronic benefits transfer (EBT). 62 Fed. Reg 48714 (September 16, 1997). The proposed regulations implement the "second phase" of section 31001(x) of the Debt Collection Improvement Act of 1996, which requires federal agencies to convert all federal payments from checks to electronic transfer by 1999. Specifically, the rulemaking seeks comments on the characteristics that an EFT or EBT account should have for an individual who does not have an account at a financial institution.

Missouri, as a member state in SAS, is currently in the process of implementing a joint federal/state EBT system to deliver federal and state benefits on a single access card, using the existing commercial infrastructure. The federal benefits include Social Security, Supplemental Security Income, Veterans' benefits, and Railroad Retirement benefits. State benefits include Food Stamps and cash assistance. The SAS project is proceeding pursuant to the congressional directive enacted in 1996, "to continue the existing EBT [SAS] pilot to disburse benefit payments electronically to recipients who do not have an account at a financial institution, . . . as described in the Invitation for Expressions of Interest to Acquire EBT Services for the Southern Alliance of States . . ."

See Section 3336(b) of Title 31, United States Code.

Missouri's EBT system will be statewide in May 1998.

The rulemaking notice indicates that Treasury could specify different characteristics for accounts to be established pursuant to a new rule for delivery of federal benefits only to those without their own accounts. It also indicates that existing delivery systems like the SAS project would remain in place as an alternative, thus preserving for recipients the opportunity to have just one account for electronic receipt of all government benefits, state and federal. The State of Missouri anticipates the Treasury Department to include in the text of the final rule a provision for continuing existing arrangements such as the SAS project, and confirming that the accounts established in the SAS project will satisfy the requirements of EFT and EBT, consistent with section 3336(b) of Title 31, United States Code.